REMARKS

Reconsideration of the pending application is respectfully requested on the basis of the following particulars.

1. In the Abstract

A new abstract of the disclosure is provided which complies with U.S. formalities. Acceptance of the new abstract of the disclosure is respectfully requested in the next Office communication.

2. In the Specification

The specification is amended to include the appropriate section headings identifying portions of the pending application. Moreover, passages making particular reference to the claims in the specification have been removed.

It is submitted that the amendment of the specification does not introduce any new subject matter. Acceptance of the amendment of the specification is kindly requested in the next Action.

3. In the Claims

The claims are presently amended in the "Amendment of Claims." In the amendment, claim 1 is amended to incorporate the subject matter of claim 3. Claim 3 is thus canceled without prejudice or disclaimer, and claims 8-14 are also canceled without prejudice or disclaimer.

As is evident in the amendment, the reference numerals originally found in the claims have been removed in accordance with U.S. claim drafting style. It will be noted that MPEP 608.01(m) indicates that the use of reference numerals is considered as having no effect on the scope of the claims and is considered

acceptable under U.S. practice. It is thus submitted that the removal of the reference numerals does not have an effect on the scope of the claims.

Acceptance of the amendment of the claims is respectfully requested in the next Office communication.

4.   Rejection of claims 1, 2, 4-14 under 35 U.S.C. § 102(e) as being anticipated by U.S. Patent 6,039,645 (Mazur)

In view of the amendment of claim 1 with the subject matter of claim 3, this rejection is respectfully traversed on the basis that the Mazur reference fails to disclose or suggest each and every feature of amended claim 1. More particularly, the Mazur reference fails to disclose or suggest a bank note processing machine wherein the memory system has a drive and a storage medium which are suitable for optical and/or magnetic recording. This failure of the Mazur reference to disclose or suggest the memory system as modified by originally-filed claim 3, and according to currently amended claim 1 is readily acknowledged in the outstanding Action on page 7.

It will be noted that claims 2 and 4-7 depend from claim 1, and are thus patentable based on their dependency therefrom. Claims 8-14 are canceled and are no longer pending in the present application.

Hence, as a result of these simple observations and the amendment of claim 1, withdrawal of this rejection is respectfully requested.

5.   Rejection of claim 3 under 35 U.S.C. § 102(e) as being unpatentable over U.S. Patent 6,039,645 (Mazur) in view of U.S. Patent 5,680,721 (Hine, Jr.)

This rejection is respectfully requested on the grounds that the proposed combination of the Mazur reference and the Hine, Jr. reference fails to disclose or

suggest the claimed features of a bank note processing machine having a control device with a memory system arranged to control elements of the bank note processing machine by software and/or data stored in the memory system, and configured with a drive and a storage medium which are suitable for optical and/or magnetic recording.

As indicated above, claim 1 now recites the subject matter of claim 3, and claim 3 is canceled.

The Mazur reference is generally directed to a coin sorting machine that permits loading of software or software upgrades. A system controller is provided for monitoring and regulating various parameters of the coin sorting machine.

Support for the argument in the Action that the Mazur reference teaches an interface that makes it possible to couple to different memory systems is provided by the teaching of a PCMCIA compatible receptacle (col. 10, lines 33-52). The PCMCIA compatible receptacle appears to be the only type of interface that is specifically taught by the Mazur reference.

According to the Mazur reference, it is undesirable to provide a memory system that does not provide quick and easy installation of software to be executed by the system controller (col. 8, lines 59-62). Moreover, installation of the software should not involve removing memory and replacing resident memory chips, and should be performed without entering several keystrokes (col. 2, lines 25-29).

As correctly pointed out in the Action, the Mazur reference does not disclose or suggest a bank note processing machine wherein the memory system has a drive and a storage medium which are suitable for optical and/or magnetic recording. Instead, it is explained by the Mazur reference that it is highly preferred to employ a flash memory to update software employed by the system controller since the flash memory enables the memory to be erased and reprogrammed within fractions of a

second, and that it is an inexpensive method of software replacement as compared to other known methods such as those employing EEPROM memory (col. 8, lines 34-58).

It is the Applicants contention that there is no disclosure or suggestion in the Mazur reference that would tend to motivate a skilled artisan to provide a bank note processing machine with a drive and a storage medium which are suitable for optical and/or magnetic recording. On the contrary, the Mazur reference envisions a very limited memory system that provides inexpensive memory replacement within fractions of a second, and no input via keystrokes or other data entry by an operator.

Accordingly, the memory system of Mazur is relatively inflexible with respect to the storage medium available for updating since it is very limited to the type of permissible storage medium. In the alternative, the memory system recited in claim 1 of the pending application permits an operator to select from a plurality of memory systems and may include criteria for selecting memory by memory volume, size, robustness and price (specification, page 2, lines 20-22).

The Hine, Jr. reference does not make up for the shortcomings of the Mazur reference and the proposed modification of the coin sorting machine of the Mazur reference to include the computer system of the Hine, Jr. reference makes no sense and will not work.

More specifically, the Hine, Jr. reference is directed to a modular display device that is arranged to receive currency and display advertising or message boards. The modular display device of the Hine, Jr. reference is not a bank note processing machine, as recited in claim 1 of the pending application. As far as the only components that remotely come close to handling banknotes, the display device of the Hine, Jr. reference includes off the shelf components such as a coin acceptor and a bill validator (col. 8, lines 56-64). These components, however, do not

process bank notes in the sense that is well known by those skilled in the art of bank note processing and instead only identify whether the currency is valid.

The Hine, Jr. employs a computer system for the modular display device which is substantially different from the system controller described in the Mazur reference and recited by claim 1 of the pending application. In the Action, argument for combining the Mazur reference with the Hine, Jr. reference is provided with the teaching of a personal computer having a key pad (col. 8, lines 60-64) that can read software from a disk (col. 9, lines 58-65) and enables a resident floppy disk to be copied for processing (col. 12, line 62 through col. 13, line 6). Human input to the software executed by the computer is from the keypad (col. 11, lines 4-12) and the software runs on MS-DOS operating system (col. 9, line 58 through col. 10, line 9). It follows that in order to make changes to the computer system and thus onto the floppy disks, human interaction by way of computer input is required.

As is readily apparent, the Mazur reference has no need for a personal computer of the type described by the Hine, Jr. reference, and the interface employed by the Mazur reference renders a personal computer unnecessary. The Action simply fails to make any reconciliation of the fact that the interface used by the Mazur reference is a PCMCIA compatible receptacle. Moreover, the proposed modification of the coin sorter of the Mazur reference would require a connection to a personal computer of the type described by the Hine, Jr. reference that would require keystrokes to make software modifications and overall greatly increases the expense and method of updating software.

Of course, as discussed above, the Mazur reference employs the flash memory so as to provide more quick and easy updates of system software and/or tailor the software without removing and replacing resident memory chips and without entering several keystrokes (col. 1, lines 23-29). Thus, the Mazur reference does not suggest the desirability to include the personal computer system of the

Hine, Jr. reference, and instead describes alternative methods to install and erase software. It follows that there is no suggestion or motivation in the Mazur and Hine, Jr. references themselves to make the proposed combination.

To base a rejection on a combination which has no basis in the references themselves, and which is essentially inoperative when the intended purposes and functions of the structures to be combined are considered, is clearly an improper hindsight rejection. It is submitted that the proposed combination of the Mazur reference to include the personal computer system of the Hine, Jr. reference would change the principle of operation of the Mazur reference and most importantly run contrary to explicit teachings in the Mazur reference.

It is well understood that in assessing differences, section 103 specifically requires consideration of the claimed invention "as a whole", and as such, consideration must be given to portions of the prior art reference that would lead away from the claimed invention. It is asserted that a skilled artisan in the field of bank note processing would not be motivated by the Hine, Jr. reference to modify the coin sorter of the Mazur reference since the modular display device of Hine, Jr. is of a different field of endeavor. Moreover, the personal computer system of the Hine, Jr. reference runs contrary to both the memory system of the Mazur reference and the bank note processing system recited in claim 1 of the pending application, and as such, substantial reconstruction and redesign of the coin sorter of the Mazur reference would be required to include the personal computer system of Hine, Jr. The proposed combination would likely remove or render useless essential features of the Mazur reference such as the PCMCIA compatible receptacle and the use of flash memory.

In view of these observations, it is respectfully submitted that no reasonable combination of the coin sorter of Mazur with the personal computer system of Hine, Jr. could have suggested the bank note processing system recited in claim 1 of the

pending application to one of ordinary skill in the art. Accordingly, withdrawal of the rejection is courteously requested.

6. Conclusion

In view of the amendment of the claims, and further in view of the foregoing remarks, it is respectfully submitted that the application is in condition for allowance. Accordingly, it is respectfully requested that each and every pending claim in the present application be allowed and the application be passed to issue.

If any issues remain that may be resolved by a telephone or facsimile communication with the Applicant's Attorney, the Examiner is invited to contact the undersigned at the numbers shown below.

BACON & THOMAS, PLLC
625 Slaters Lane, Fourth Floor
Alexandria, Virginia 22314-1176
Phone: (703) 683-0500

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Respectfully submitted,

JUSTIN J. CASSELL
Attorney for Applicant
Registration No. 46,205